

# ESGD

## iShares ESG Aware MSCI EAFE ETF

### Fund Description

ESGD tracks an index of developed market international companies that have been selected and weighted for positive environmental, social, and governance characteristics.

### FactSet Analyst Report

ESGD aims to increase exposure to developed market firms, excluding the US and Canada, displaying strong ESG traits while exhibiting risk and return characteristics similar to its parent index through an optimization process. Companies in the broad MSCI EAFE Index are rated on risk factors related to environmental (e.g. carbon emissions, water use, toxic waste), social (e.g. labor management, health & safety, sourcing), and governance issues (e.g., corruption, fraud, anti-competitive practices). Additionally, the fund completely excludes tobacco companies, producers of certain weapons (e.g. landmines, bioweapons), and companies experiencing severe business controversies. Portfolio optimization software is used to maximize the fund's stake in highly rated companies while staying close to marketlike exposure, performance, and risk. Prior to June 1, 2018, the fund tracked the MSCI EAFE ESG Focus Index.

